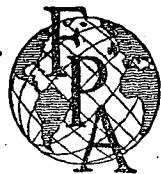


1918—



—1944

Entered as 2nd class matter

FOREIGN POLICY BULLETIN

An interpretation of current international events by the Research Staff of the Foreign Policy Association

FOREIGN POLICY ASSOCIATION, Incorporated
22 East 38th Street, New York 16, N. Y.

VOL. XXIII, No. 49

SEPTEMBER 22, 1944

EVENTS IN CHINA MAY AFFECT RUSSIA'S ENTRY INTO PACIFIC WAR

THE conclusion of the Anglo-American conferences at Quebec on September 16 naturally has not been followed by any detailed explanation of the military decisions reached there. But it is clear from the joint statement issued by Roosevelt and Churchill as well as from their remarks to newspapermen that, apart from decisions relating to the remainder of the European war, long-range planning took place with regard to "the destruction of the barbarians of the Pacific." Most striking was the strong emphasis on the desire of the British to participate as fully as possible in the Far Eastern war. For the communiqué declared plainly that "the most serious difficulty" at Quebec had been "to find room and opportunity for marshaling against Japan the massive forces which each and all of the nations concerned are ardent to engage against the enemy." And Mr. Churchill dotted the *i*'s and crossed the *t*'s when he told reporters that "some of us felt the United States wanted to keep too much of it [the war with Japan] to themselves." These statements should finally set at rest all doubts concerning Britain's intentions in the Pacific.

WILL RUSSIA FIGHT JAPAN? Just as last year's Anglo-American meeting at Quebec was a necessary preliminary to the meetings at Cairo and Teheran, so this one should ultimately lead to consultations with the Chinese and Russians, if a genuine over-all strategy is to be laid down. For while the British and ourselves can plan operations in southeast Asia and neighboring waters, no design for the whole of the war in Asia can be a two-power proposition. That this is appreciated by Roosevelt and Churchill is indicated by their invitation to Stalin to join them in the conferences just concluded.

The improved state of relations between the U.S.S.R. and the United States and Britain, taken in conjunction with Russia's strategic position in the Far East, now makes it seem likely that the Russians

will enter the war against Japan some time after the defeat of Germany. It is true that Stalin declined the invitation to meet with Roosevelt and Churchill, but he did so officially on the ground that, because of military duties "at the present time," he could not leave the Soviet Union. No effort was made in his statement to avoid the implication that, when there were no more Nazis to fight, his attitude toward discussing Pacific questions might change.

More important, however, than any current straw in the wind is the long-term self-interest of the U.S.S.R. in facilitating the thorough destruction of Japanese militarism and securing a voice in the Far Eastern settlement on equal terms with the United States, Britain and China. Russia's national interest, moreover, requires the defeat of Japan at the earliest possible date, for the sooner the Far Eastern war is over, the more rapidly will the reconstruction of world economy become feasible. Such reconstruction cannot get into full swing while half the world is at war, including the two principal capital-exporting powers, the United States and Britain. As long as the invasion of western Europe had not been launched, it would have been unwise to ask the Russians to assume new military obligations. But the unfolding of the Teheran strategy this summer has brought the defeat of Germany in sight and, despite existing differences among the Big Three, has strengthened their relations.

THE CHINESE HINGE. If this reasoning about Soviet policy is correct, then the timing of Russia's entrance into the Far Eastern war becomes an important problem. For after bearing the brunt of land warfare against the German Army for several years, the U.S.S.R. is not likely to take on Japan until American, British and Chinese forces have significantly weakened the Japanese and forced Tokyo to commit a large part of its remaining strength in battle. But the question arises whether these conditions can be

met until American or Allied forces have opened up a port on the China coast, making possible the landing of men and equipment on a large scale and laying a basis for greatly intensified continental air and land attacks against the Japanese.

To prevent coastal landings, thereby protracting the Far Eastern war, is certainly the broad objective of Japan's continuing offensives in China. At present the Japanese are well on their way to the leading American advance air base in south China at Kweilin, capital of Kwangsi province. When Kweilin falls, as now seems certain, Japanese shipping off the China coast will probably be safe from attack by General Chennault's air force, and B-29s based on the deep interior will have lost forward landing fields on their way to and from bombing targets in Japanese territory. But most important of all is the effect on China's military strength. For should the Japanese succeed in pushing the organized Chinese armies farther away from the coastal region, China might be unable to launch an effective diversionary action to aid our invasion forces.

FERMENT IN CHINA. These matters are of enormous significance to American and British military leaders, for they involve the length of the Pacific war, as well as China's role in it. The desire to see

CHANGES IN EUROPE'S TEMPER CALL FOR AMERICAN UNDERSTANDING

In discussing Europe's future prospects it is important for those of us here who have had no direct contact with the war to imagine as vividly as we can the changes in temper that war has wrought among Europeans. Only thus can we consider, with any degree of perspective, the question whether the liberated peoples may become vulnerable to Communism or, on the contrary, seek a middle course between the various extremist doctrines that vied for domination during the inter-war years.

Such projection of our imagination requires an arduous effort on our part. For it is difficult, for most of us, to understand the sufferings of others unless we have had comparable experiences. Those who have either been close to death themselves (this is true of our soldiers at the front), or have seen the death of those they love, can plumb to some extent the agony of irreparable loss, of hope frustrated—an agony that, multiplied a thousandfold under the most horrible circumstances imaginable, hangs like a pall over Europe. Those of us who have seen acts of cruelty perpetrated in individual cases and have sought redress for the victims, can in a dim way apprehend the horror that must be imprinted on the minds of Europe's survivors, to whom scenes of unspeakable brutality have become a familiar sight.

EUROPE'S POST-WAR MOOD. In what mood have five grueling years of war and resistance to conquest left the liberated peoples? Some, inevitably, are weary and apathetic, wanting order above all

the Chinese front, assume the strategic tasks that should properly be assigned to it undoubtedly goes far to explain Washington's interest in the improvement of Chinese Army conditions and China's economic and political situation.

There are signs that the Chinese people are also becoming increasingly concerned about their country's position. The latest session of the People's Political Council, just concluded in Chungking, was the most critical in all the six years since that governmental advisory body was established. Members demanded improvements in the conscription system which, as at present organized, frequently amounts to armed impressment of peasants for military service. Sharp words were also heard about corruption and inefficiency, and there was evident a strong desire for a settlement between the government and the Communists, so that all of China's military forces might be available for the war with Japan. No one can yet say how soon this criticism will bear fruit in Chungking, but the duration of the Far Eastern war, the timing of Russian aid, and the validity of the conceptions developed at Quebec, may well depend on what happens in China.

LAWRENCE K. ROSINGER

else—order which would permit resumption of at least rudimentary forms of social living. These might accept any political and economic régime, provided it promised surcease from constant danger and upheaval. Others, on the contrary, have found that they thrive on danger, and welcome risk in a cause that kindles their spirit. These have been the backbone of resistance movements. For them indignation at conquest and oppression has been an act of faith. But they also feel indignant at the pre-war conditions that produced war and murder, and have no desire to be paid off in the small change of old-style political maneuvering. They have proved they could be ruthless in revenge, but many of them have displayed heroic capacities for the kind of selfless comradeship that is engendered by dangers shared in common—in the armed forces, in prison camps, in underground movements. They are the spearhead of rebellion against mere return to the past. But they are also harbingers of reconstruction on new foundations—provided reconstruction is not so long delayed, and so hampered by possible opponents that revolution seems to offer the only way out.

TREND TOWARD POPULAR DEMOCRACY. In any social group, no matter how educated, rebels are usually in a minority. It is their capacity for leadership, their intuitive understanding of the historic moment and the cause that will capture men's minds and emotions, that gives them an opportunity to transform the minority of today into the majority of

tomorrow. It is they who will bear watching in these months when a new Europe is in gestation. Generalizations, as always, are futile. The countries of Western Europe, industrially advanced and politically stabilized before 1939, may effect reforms that the war revealed as necessary without excessive internal strain. In France, where public opinion was in a ferment on the eve of the war, in Italy, disoriented by the collapse of Fascism, in the countries east of Germany, some observers detect a trend toward Communism. It would be more accurate to describe it as a trend toward a larger measure of popular democracy. True, some of the forms it will take may appear revolutionary in character. The insistence of Marshal Tito on the revival of village councils elected directly by the peasants; the plans of the Polish Committee of Liberation for the breakup of large estates (with the notable exception of those owned by the Church), and the grant of land to poor peasants who are to pay for it over a period of years, but without the introduction of collective farming; the demand of French workers for participation in the administration of factories on a basis of equality with managers and consumers—all these could be described as revolutionary. Yet they are in fact attempts to broaden the political and economic base in countries which, in one way or another, had not caught up with the effects of either the Industrial Revolution, or the French and Russian Revolutions.

Future of Free Enterprise

Some Americans may be disturbed by these plans and demands. For they portend restrictions on the system of free private enterprise advocated for this country at the end of the war. They do not, however, portend indiscriminate industrial or agricultural collectivization—except perhaps for the possible nationalization of certain heavy industries essential for war, and some forms of state control over enterprises essential for the public welfare. Leaving aside the question whether untrammeled private enterprise

which in the midst of tariff, currency and other restrictions was rapidly becoming a myth by 1939—will prove practicable after the war, we must consider measures advocated by Europeans not in terms of whether we like them or not, but whether they will advance the welfare of Europe, and thus our own as well. For unless the liberated countries can recover at least partly through their own efforts, Britain and the United States would be faced with an insuperable problem of pumping new blood into political and economic institutions atrophied by lack of use during the years of Nazi conquest.

It is in our interest that the peoples of Europe should make every effort they can to further their own reconstruction. And if reconstruction, in some countries, means the overhauling of pre-war concepts and machinery, we should view this process in the perspective of a history different from our own, and in terms of passions and convictions generated by a war whose effects we are only beginning to experience. The life of mature human beings, regrettable as it may seem, is not a movie that has an invariably happy ending, and for years now few human beings in war-torn countries have known the meaning of personal happiness. If we want to help, in the future, to promote happier endings, we shall have to re-examine our own objectives in Europe.

VERA MICHELES DEAN

(The third in a series on Europe's problems as seen
from the United States.)

NEW ASSISTANT TO PRESIDENT

The F.P.A. takes pleasure in announcing the appointment of Professor Charles Grove Haines to the position of Assistant to the President, replacing Mr. Sherman Hayden, absent on service in the Navy. Professor Haines received his Ph.D. from Clark University, and is now Professor of History at Syracuse University. He has traveled extensively and has written several authoritative books in the field of foreign affairs. He has spoken before Foreign Policy Association Branches, and prepared the *Foreign Policy Report "What Future for Italy?"* published in October 1943. On the F.P.A. staff he will serve also as Director of the Department of Popular Education.

JUST PUBLISHED—

U.S. FOREIGN POLICY AND THE VOTER

by Vera Micheles Dean

25c

September 15 issue of FOREIGN POLICY REPORTS
REPORTS are issued on the 1st and 15th of each month.
Subscription \$5; to F.P.A. members, \$3.

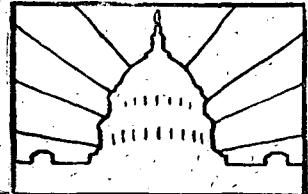
German Radio Propaganda, by Ernst Kris and Hans Speier. New York, Oxford University Press, 1944 (Studies of the Institute of World Affairs). \$4.00

A highly illuminating analysis of how Goebbels and his propagandists indoctrinated the German people in their presentation of World War II.

FOREIGN POLICY BULLETIN. Vol. XXIII, No. 49, SEPTEMBER 22, 1944. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. FRANK ROSS MCCOY, President; DOROTHY F. LEET, Secretary; VERA MICHELES DEAN, Editor. Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Three Dollars a Year. Please allow at least one month for change of address on membership publications.

F. P. A. Membership (which includes the Bulletin), Five Dollars a Year
Produced under union conditions and composed and printed by union labor.

Washington News Letter



U.S. TACKLES INTERNATIONAL CARTEL PROBLEM

In 46 anti-trust suits filed since 1939 against members of international cartels in which United States companies participate, the Department of Justice has disclosed much evidence that cartel agreements restrict commerce in this country and limit outlets for American exports. These findings, supplemented by studies of the Interdepartmental Committee on Cartels and hearings before the Kilgore Senate Subcommittee on War Mobilization, have caused the Administration to seek international collaboration for the eradication of cartel practices that interfere with trade. On September 6 President Roosevelt wrote Secretary of State Hull: "I hope that you will keep your eye on the whole subject of international cartels, because we are approaching the time when discussions will almost certainly arise between us and other nations." On September 13 Mr. Hull notified the President, then in Quebec, that he wanted soon to take up plans for conversations with other United Nations "in respect to the whole subject of commercial policy."

HOW CARTELS RESTRICT TRADE. At their worst cartels restrict production of both raw materials and finished products, and keep prices at an artificial level. The most common cartel practice is to divide trade by allocating certain geographical areas to particular firms—much as governments divided it in the days of mercantilism. Charges made by the United States Department of Justice in recent anti-trust suits—in some of which the Attorney General agreed to postpone trial until it will not interfere with the war production of defendant firms—state that American and European firms agreed to allocate by geographical areas exports of such products as pigment titanium, military optical instruments, photographic materials, dyestuffs, deadburned magnesite or magnesite brick (important to the steel and copper industries), and glass bulbs. In some instances the agreements, it is charged, were made by American firms with German concerns, in some with concerns of other European countries.

For example, it is charged that in 1929 Harbison-Walker Refractories Co., Pittsburgh, agreed with the Veitscher group in Europe (Germany, Czechoslovakia and Switzerland) that Harbison would not ship deadburned magnesite or magnesite brick to Europe, Asia or Africa and that Veitscher would not ship those commodities (important in the steel and copper industries) into the United States, Canada or

Mexico except to Harbison or the General Refractories Co., Philadelphia.

In other cases cartel agreements, which take many diverse forms, restrict international commerce in chemicals, tannin, aspirin, synthetic gasoline, and magnesium. Cartels control hevea rubber, tin and African oil-nuts.

FOREIGN ATTITUDES IMPORTANT. While the anti-trust suits brought by the Department of Justice have drawn the attention of foreign countries to the domestic policies of the United States, they have failed to break up international combinations. In 1928 the United States government entered a consent decree with the Kina Bureau, the Netherlands world quinine monopoly, after suing for breach of the Sherman Act. A simple operational adjustment, however, enabled Kina Bureau to keep the monopoly control over the distribution and price of quinine in the United States that it possessed before the suit. On September 14 Wendell Berge, Assistant Attorney General, instituting suit in California against seven domestic and foreign borax companies, said that "more than just litigation" was needed to deal with the international cartel question.

The readiness with which other governments will support an American program for cartel restriction is open to question. As President Roosevelt told Mr. Hull in his September 6 letter, "a number of foreign countries, particularly in Continental Europe, do not possess such a tradition against cartels." The British White Paper on Full Employment of May 26, however, gives this government some encouragement by suggesting that the United Kingdom should seek the power to obtain information about cartels and check practices harmful to the public interest. To explain our position to the British, the Administration is sending to London as economic counsellor Harry Hawkins, who until now has been Director of the Office of Economic Affairs of the State Department. There is cumulative evidence, at least, that the various nations are prepared to take part in governmental commodity controls. The recent British-American oil agreement is illustrative of this trend. Government supervision, while often criticized in itself, would offer public protection to consumer interests since it would afford full publicity for commodity agreements—a practice wholly different from the present secret, private cartel arrangements.

BLAIR BOLLES

FOR VICTORY • BUY UNITED STATES WAR BONDS